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Attorneys for Montana Farm Bureau Federation

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,
MONTANA STATE AUDITOR
STATE OF MONTANA**

IN THE MATTER OF)	Case No.: INS-2011-24
)	
)	
MONTANA FARM BUREAU FEDERATION,)	ANSWER AND FORMAL
)	HEARING DEMAND
Respondent.)	
)	
)	

Montana Farm Bureau Federation ("MFBF") answers the Notice of Proposed Agency Action and Opportunity for Hearing as follows.

Demand for Formal Hearing

MFBF demands a formal administrative hearing of the issues raised in the Notice of Proposed Agency Action and Opportunity for Hearing. It further requests that the 45 day limit for the hearing of this matter be waived so that discovery may occur.

Response

MFBBF denies that there is probable cause to pursue this matter. Further, it responds to the individually-numbered allegations in the Notice of Proposed Agency Action and Opportunity for Hearing as follows:

1. MFBBF is without sufficient information or belief to admit or deny the allegations in paragraph 1 and therefore denies the same.
2. Admitted.
3. Admitted.
4. MFBBF denies that a partnership, in the legal sense, was formed. It admits that it entered into a Royalty Agreement and provided access to use of certain of its intellectual property to New West.
5. MFBBF denies that there was an agreement separate from the agreement with New West.
6. MFBBF objects to the allegation as the term "compensation" is vague and ambiguous. Without waiving the same, MFBBF denies that there was nothing of value.
7. MFBBF responds that the Royalty Agreement speaks for itself. To the extent that the allegation does not accurately portray that contract, MFBBF denies the allegation.
8. It is denied that MFBBF drafted the pamphlet. In responding to the remaining allegations, the pamphlet speaks for itself. To the extent that the allegation does not accurately portray that contract, MFBBF denies the allegation. All other allegations are denied for lack of sufficient information or belief.

9. Paragraph 9 is denied to the extent that it attempts to portray the pamphlet as being drafted by MFBBF. To the extent that the allegation does not accurately portray that contract, MFBBF denies the allegation. All other allegations are denied for lack of sufficient information or belief.

10. Denied.

11. Denied.

12. Denied.

13. MFBBF denies the allegations for lack of sufficient information or belief.

14. MFBBF denies the allegations for lack of sufficient information or belief.

Conclusions of Law

1. Admitted.

2. MFBBF denies that the definition provided in paragraph 2 is complete.

3. Admitted.

4. MFBBF denies that the definition provided in paragraph 4 is complete.

5. MFBBF denies that the definition provided in paragraph 5 is complete.

6. Admitted.

7. Admitted.

8. Admitted.

9. Denied.

10. MFBBF denies that paragraph 10 correctly recites the statute therein.

11. Denied.

12. Admitted.

13. Denied.

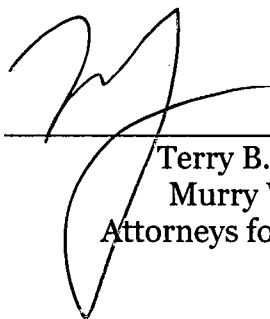
14. Denied.

Request for Relief

Having answered and denied the allegations in the Notice, MFBF hereby requests that this action be dismissed with prejudice and requests any and all other relief allowable by law.

DATED this 3d day of October, 2012

Gough, Shanahan, Johnson & Waterman, PLLP

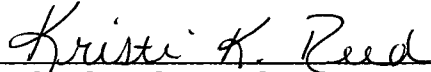
A handwritten signature in black ink, appearing to be 'TBC', is written over a horizontal line.

Terry B. Cosgrove
Murry Warhank
Attorneys for Respondent

CERTIFICATE OF SERVICE

I hereby certify that on the 3 day of October, 2012, a true and correct copy of the foregoing *Answer and Formal Hearing Demand* as this day deposited in the United States mail, postage prepaid, addressed to:

Brett O'Neil
Office of the Commissioner of Securities and Insurance
Montana State Auditor
Legal Services Office
840 Helena Avenue
Helena, MT 59601



Gough, Shanahan, Johnson & Waterman, P.C.